

State of Arizona
House of Representatives
Forty-seventh Legislature
Second Regular Session
2006

HOUSE BILL 2821

AN ACT

AMENDING SECTIONS 42-11001, 42-13352, 42-16202, 42-16203, 42-16205 AND
42-17052, ARIZONA REVISED STATUTES; RELATING TO PROPERTY TAX ASSESSMENTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 42-11001, Arizona Revised Statutes, is amended to
3 read:

4 **42-11001. Definitions**

5 In chapters 11 through 19 of this title, unless the context otherwise
6 requires:

7 1. "Assessed valuation" means the value derived by applying the
8 applicable percentage prescribed by chapter 15, article 1 of this title to
9 the full cash value or limited property value of the property, as applicable.

10 2. "Board" or "state board" means the state board of equalization.

11 3. "County board" means the county board of supervisors sitting as the
12 county board of equalization.

13 4. "Current usage" means the use to which property is put at the time
14 of valuation by the assessor or the department.

15 5. "DUE DATE" MEANS THE NEXT BUSINESS DAY IF A DUE DATE OF ANY REPORT,
16 CLAIM, RETURN, STATEMENT, PAYMENT, DEPOSIT, PETITION, NOTICE OR OTHER
17 DOCUMENT OR FILING FALLS ON SATURDAY, SUNDAY OR A LEGAL HOLIDAY.

18 5. "Full cash value" for property tax purposes means the value
19 determined as prescribed by statute. If no statutory method is prescribed,
20 full cash value is synonymous with market value which means the estimate of
21 value that is derived annually by using standard appraisal methods and
22 techniques. Full cash value is the basis for assessing, fixing, determining
23 and levying secondary property taxes. FULL CASH VALUE SHALL NOT BE GREATER
24 THAN MARKET VALUE REGARDLESS OF THE METHOD PRESCRIBED TO DETERMINE VALUE FOR
25 PROPERTY TAX PURPOSES.

26 6. "Limited property value" means the value determined pursuant to
27 section 42-13301. Limited property value is the basis for:

28 (a) Computing levy limitations for counties, cities, towns and
29 community college districts.

30 (b) Assessing, fixing, determining and levying primary property taxes.

31 8. "NET ASSESSED VALUE" MEANS THE ASSESSED VALUE MINUS ANY EXEMPT
32 PROPERTY.

33 7. "Person" means a natural person, individual, proprietor,
34 proprietorship, company, corporation, organization, association, joint
35 venture, partner, partnership, trust, estate, OR limited liability company,
36 the federal or state government, a political subdivision of a state or any
37 other legal entity or combination of entities that owns, controls or has
38 possession of real or personal property.

39 8. "Personal property" includes property of every kind, both
40 tangible and intangible, not included in the term real estate.

41 9. "Primary property taxes" means all ad valorem taxes except for
42 secondary property taxes.

43 10. "Producing mine" or "mining claim" means a mine or mining
44 claim from which coal or any other mineral or mineral substance, except for
45 clay, sand, gravel, building stone or a mineral or mineral substance that is

1 normally processed into artificial stone, has been extracted for commercial
2 purposes at any time during a period of one year before the first Monday in
3 January of the valuation year.

4 **11.** 13. "Real estate" includes the ownership of, claim to, possession
5 of or right of possession to lands or patented mines.

6 12. 14. "Roll" means the assessment and tax roll.

~~13.~~ 15. "Secondary property taxes" means:

8 (a) Ad valorem taxes or special property assessments that are used to
9 pay the principal of and the interest and redemption charges on bonded
10 indebtedness or other lawful long-term obligations that are issued or
11 incurred for a specific capital purpose by a municipality, county or taxing
12 district.

13 (b) Ad valorem taxes or assessments levied by or for special taxing
14 districts and assessment districts other than school districts and community
15 college districts.

16 (c) Amounts levied pursuant to an election to exceed a budget,
17 expenditure or tax limitation.

18 14. 16. "Tax year" for all property means the calendar year in which
19 the taxes are levied.
20 15. 17. "Valuation" means the full cash value or limited property
21 value that is determined for real or personal property as applicable.

16. 18. "Valuation date", for the purposes of real property and
property valued by the department, means January 1 of the year preceding the
year in which taxes are levied.

17. 19. "Valuation year" means:

26 (a) For real property and prop

(b) For personal property, the calendar year in which the taxes are levied.

Sec. 2 Section 42-13352 Arizona Revised Statutes is amended to

31 read:
32 42-13352 Determining valuation of property of manufacturers

42-1555E. Determining valuation of property of manufacturers, assemblers or fabricators

34 A. The county assessor shall determine the valuation of both real and
35 personal property valued under this article.
36 B. For purposes of determining the valuation of property valued under

b. For purposes of determining the valuation of property valued under this article, the county assessor shall use standard appraisal methods and techniques as provided in section 42-11001, paragraph 5-6 and section 42-11054, except as otherwise provided in this article.

40 C. The taxable value of personal property is the result of acquisition
41 costs less any appropriate depreciation as prescribed by the department. The
42 taxable value shall not exceed the market value.

1 Sec. 3. Section 42-16202, Arizona Revised Statutes, is amended to
2 read:

3 **42-16202. Appeal from county board of equalization to court**

4 A. A property owner who is dissatisfied with the valuation or
5 classification of the property as determined by a county board of
6 equalization or a petitioner whose petition is denied by the county board of
7 equalization, in whole or in part, may appeal directly to court within sixty
8 days after the date of mailing of the decision, ~~but in any case not later~~
9 ~~than OR BY~~ December 15, **WHICHEVER IS LATER.**

10 B. If the county board orders the valuation of any property to be
11 reduced, the assessor or the department, ~~on or before December 15,~~ may appeal
12 the decision to court in the same manner as provided by subsection A.

13 Sec. 4. Section 42-16203, Arizona Revised Statutes, is amended to
14 read:

15 **42-16203. Appeal from state board of equalization to court**

16 A. Any party, or the department, that is dissatisfied with the
17 valuation or classification of property reviewed by the state board of
18 equalization may appeal to court as provided by this article.

19 B. The department or a county assessor who is dissatisfied with the
20 determination by the state board of an equalization order under section
21 42-16159 may appeal to the court as provided by this article.

22 C. An appeal to court shall be taken within sixty days after the date
23 of **MAILING OF** the state board's final decision.

24 D. Appeals resulting from a change in value due to correcting a
25 property tax error pursuant to article 6 of this chapter shall be filed
26 within sixty days after the **DATE OF MAILING OF THE** state board's decision.

27 Sec. 5. Section 42-16205, Arizona Revised Statutes, is amended to
28 read:

29 **42-16205. Appeal to court in the case of new construction,
changes to assessment parcels and changes in use**

30 A. An appeal to court from the state board of equalization or a county
31 board of equalization relating to changes in assessments under section
32 42-15105 due to new construction, additions to or deletions from assessment
33 parcels or changes in property use that occur after September 30 of the
34 preceding year and before October 1 of the valuation year shall be filed
35 within sixty days after the date **OF MAILING** of the decision.

36 B. A new owner of property that was valued by the assessor and whose
37 valuation was not appealed by the former owner of the property may appeal the
38 valuation to court on or before December 15 of the year in which the taxes
39 are levied.

40 Sec. 6. Section 42-17052, Arizona Revised Statutes, is amended to
41 read:

42 **42-17052. Values furnished by county assessor**

43 A. On or before February 10 of the tax year, the county assessor shall
44 transmit and certify to the property tax oversight commission and to the

1 governing body of the political subdivision or district in the county the
2 values that are required to compute the levy limit prescribed by section
3 42-17051. FOR THE PURPOSES OF THIS SECTION, THESE VALUES SHALL NOT BE
4 CHANGED FOR THE OFFICIAL CALCULATION OF LEVY LIMITS AND TAX RATES AFTER
5 FEBRUARY 10 WITHOUT THE APPROVAL OF THE PROPERTY TAX OVERSIGHT COMMISSION.
6 These values shall include:

7 1. The finally equalized valuation of all property, less estimated
8 exemptions, appearing on the tax roll for the current tax year to be used to
9 fix, levy and assess the political subdivision's taxes.

10 2. The value of the property on the personal property tax roll
11 determined pursuant to section 42-17053.

12 B. On or before February 10 of the tax year, the county assessor shall
13 determine the limited property value for the current tax year of each school
14 district in the county and shall transmit the values to the county school
15 superintendent to assist the superintendent in computing equalization
16 assistance for education as provided in section 15-991.

17 C. On or before February 10 of the tax year, the county assessor shall
18 transmit to the staff of the joint legislative budget committee and to the
19 governor's office of strategic planning and budgeting the values that are
20 required to compute the truth in taxation rates prescribed by section
21 41-1276.

22 Sec. 7. Intent

23 During the 2000 regular session, the legislature passed Laws 2000,
24 chapter 390, an omnibus property tax correction bill to correct numerous
25 technical issues. This act deleted the reference to the "mailing" date of a
26 board of equalization decision in anticipation of electronic filing of
27 appeals. However, the "mailing" date reference was then, and is still,
28 necessary as there are taxpayers who file appeals and wish to be notified of
29 decisions through the mail delivered by the United States Postal Service.
30 This correction is technical and necessary to correct an inadvertent error.